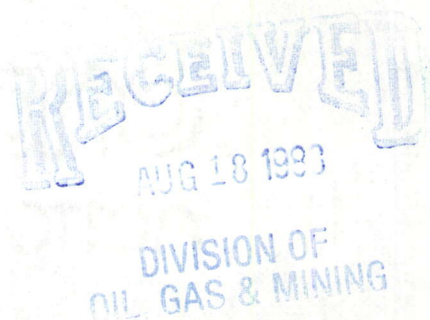




UNION CARBIDE CORPORATION
METALS DIVISION
LA SAL, UTAH 84530

August 15, 1983

Mr. Thomas Tetting
State of Utah
Natural Resources
Oil, Gas & Mining
4241 State Office Building
Salt Lake City, Utah 84114



Dear Mr. Tetting,

Thank you for your patience in awaiting Union Carbide's responses to questions concerning our various Utah mining permits. I hope the following will be of help concerning the Hecla Shaft ACT/037/043.

I am enclosing a newly revised surface map of the Hecla mining facility, a revised acreage estimate and a new, more realistic, pond estimate.

The surface facility will require two separate waste dump areas, Superior and San Juan, according to mineral ownership. The Superior dump will continue in the area delineated and then advance to the northwest as shown. Topsoil has already been salvaged and piled in the area cleared and will also be done for new expansion. The San Juan dump will utilize the unclaimed gravel pit area shown. The leftover topsoil and overburden will be saved and utilized for cover material. The pond area plans are still indefinite and final reclamation plans uncertain until Union Carbide and the Utah Environmental Health Services have reached an agreement. The current pond profile is shown on an inset on the surface map. Venthole locations are now only approximate and are shown on the smaller map enclosed.

The total acreage to be affected is estimated to be 28.3 acres and is broken down as follows:

| | |
|---------------------|-------|
| Superior Waste Dump | 7.1 |
| Ore Stockpile | 3.8 |
| Mine Yard | 3.7 |
| San Juan Waste Dump | 4.1 |
| Pond Area | 6.6 |
| Ventholes and Roads | 3.0 |
| | <hr/> |
| | 28.3 |

The current affected acreage total is still near the 18.8 acres as reported in March, 1983.

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The bonding requirements have been re-estimated to give a more realistic cost figure. I have taken the liberty to revise the bond estimating format to give a better breakdown of our estimated reclamation costs and are enclosed.

During your April visit and in your letter of April 21, 1983, you requested a spillage containment berm around the oil and fuel area and the reseeding of the containment pond outslope. The oil containment berm was completed on April 19, 1983 and the pond outslopes and berms were reseeded on April 28, 1983. Late spring moisture and summer rains have contributed to some fairly successful effort of the latter request.

At the present time I cannot predict when Union Carbide would expect to resume full operational status at this facility as the situation is still market dependent. We will however, continue to dewater and maintain the operation on a standby basis until as such time market conditions call a return to normal operational status.

I hope the above information is of help in reviewing the status of the UCC-Hecla permit. If I can be of further help, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kent G. Dahlquist", with a stylized flourish at the end.

Kent G. Dahlquist
Mine Engineer

KGD:b

Enclosures

BOND ESTIMATE

Union Carbide - Hecla Shaft

| | | |
|----|---|--------------------|
| A. | Removal of Office, Shop, Compressor Building, Headframe, etc. | \$50,000.00 |
| B. | Removal of Trash and Extraneous Debris | 2,000.00 |
| C. | Foundation Elimination, Break-up or Burial | 2,000.00 |
| D. | Removal of Hazardous Materials | 500.00 |
| E. | Pond Area: includes regrading and burial, if necessary of 6.6 acres @ \$2,000/acre | 13,200.00 |
| F. | Regrading and Topsoil Replacement | |
| | Waste Dump Areas 11.2 acres @ \$2,000/acre | 22,400.00 |
| | Other 17.2 acres @ \$250/acre | 4,275.00 |
| G. | Safety | |
| | Capping of boreholes and shaft, 6 ea. @ \$2,500.00 ea. | 15,000.00 |
| H. | Stabilization: | |
| | 1. Reseeding 28.3 acres @ \$100.00/acre | 2,830.00 |
| | 2. Fertilization 28.3 acres @ \$100.00/acre | 2,830.00 |
| | 3. Mulching 28.3 acres @ \$100.00/acre | 2,830.00 |
| I. | Monitoring: | |
| | 1. Continuing or periodic monitoring, sampling and necessary testing | 15,000.00 |
| | | |
| | SUBTOTAL | <hr/> \$132,875.00 |
| J. | Contingency and Contractual Costs, 15% | 19,931.00 |
| | | <hr/> \$152,806.00 |